GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:1409
ANSWERED ON:02.03.2001
EXPORT OBLIGATION TO AUTO INDUSTRY
B.K. PARTHASARATHI;SRINIVASULU KALAVA;SUKENDER REDDY GUTHA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Auto Industry in the country had been acquainted of the inevitability of export while granting approval for production;

(b) the percentage of total production which had been set as export obligation for industry;

(c) whether the exports have been made in conformity with the fixed import obligations during the remaining period of the current year; and

(d) if not, the reasons thereto and to what extent exports have been made so far?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) No such condition was imposed while granting approval for production.

(b) Does not arise

(c) & (d) : As per the present policy the passenger car manufacturers are required to sign a memorandum of understanding with the Government of India committing themselves to achieving a broad neutralisation of foreign exchange in terms of balancing between the actual CIF Value of imports of CKD/SKD Kits/Components and the FOB Value of exports of cars and auto components. The perioc for this export obligation commences from the third year of commencement of production. The concerned companies have already started their export. The period of fulfillment of Export Obligation is still not over. Hence the question of a company not fulfilling the export obligation does not arise at this stage.